

Town of Bedford Finance Committee

Town Hall, Selectmen's Meeting Room

April 16, 2015

Members in attendance: Rich Bowen, Tom Busa, Steve Carluccio, Elizabeth McClung, Paul Mortenson, Barbara Perry, David Powell, Steve Steele (Chair); Ben Thomas.

Others in attendance: Karen Dunn, *Capital Expenditures Committee*; Victor Garofalo, *Director of Finance and Collector/Treasurer*; Bill Moonan, *Selectman*; Meredith McCulloch, *The Bedford Citizen*.

Minutes: Ms. Perry moved to approve the March 5, 2015 Finance Committee meeting minutes as amended. Ms. McClung seconded. The motion passed, 7-0-2.

Ms. Perry moved to approve the March 19, 2015 Finance Committee minutes as amended. Ms. McClung seconded. The motion passed, 8-0-1.

Committee Elections and Reorganization:

Chair

Motion: Mr. Thomas nominated Steve Steele to serve as Chair for a one-year term. Ms. Perry seconded.

Motion: Mr. Bowen nominated Ben Thomas to serve as Chair for a one-year term. Mr. Mortenson seconded.

Mr. Steele was elected Chair with a vote of 7-0- 2.

Mr. Bowen withdrew his nomination for Ben Thomas and Mr. Mortenson withdrew his second.

Vice Chair

Motion: Mr. Mortenson nominated Ben Thomas to serve as Vice Chair for a one-year term. Mr. Busa seconded. Mr. Thomas was elected, 8-0-1.

Clerk:

Motion: Mr. Thomas nominated Elizabeth McClung to serve as Clerk for a one-year term. Mr. Busa seconded.

Motion: Mr. Bowen nominated Paul Mortenson to serve a one-year term as Clerk. Mr. Busa seconded.

Elizabeth McClung was elected Clerk, 8-0-1.

Mr. Bowen withdrew his nomination for Paul Mortenson. Mr. Busa withdrew his second.

Discussion: Generally, members felt that keeping the same Chair for two or three years in a row makes sense because of the time required to learn the job. "The first year, you don't really know what you're doing," said Mr. Thomas." "Philosophically, I believe 3 years is a good number....By the time you get up to speed, you're a year or more in[to the job]," said Mr. Busa, a past-Chair. "Two to three years is

probably good, especially for the Finance Committee,” agreed Ms. Perry. Mr. Steele said, “I can tell you a list of lessons learned as long as my arm. I know what not to do next year...I just got my feet wet.”

Mr. Thomas added, anticipating external push-back about keeping the same officers, “We vote on [the Committee leadership] every year. If someone wants a crusade, I propose we crusade about posting accurate, timely minutes of all the committees.”

“I think that’s a shared sentiment by all of FinCom,” agreed Mr. Carluccio.

Mr. Steele said committee liaison assignments would stay the same for the time being, probably until the beginning of next fiscal year.

Post-Town Meeting Wrap-Up: Mr. Steele thanked members for making Town Meeting so smooth. “We couldn’t have prepared all that data without your input. The hard questions and the analysis this committee and Victor went through made my job much easier; it made me much more comfortable... I felt we were able to answer questions before they were even asked.”

Each member then contributed their thoughts about Town Meeting and what could be improved:

Mr. Busa: “I don’t think there’s a problem with our part of Town Meeting—I think it’s all the [work done during the] 6 months prior... After having department heads coming in and having discussions week after week, we’re very prepared on the budget... One big thing we have been focused on—that we need to keep focused on and maybe even take it up one more step—is to actually have the liaisons scrutinize all these [auxiliary] accounts...We may want to have one or two liaisons cover all of the Selectmen’s committees and then have a conversation with Rick [Reed] and the Chair of the Selectmen and with each of the individual committees, whether it’s with Recreation or the Cable TV Committee.”

Mr. Thomas agreed but added he believes the departments “have gotten the message” that FinCom is serious about the auxiliary accounts.

Mr. Busa said he also believes the message has been heard but he’s still concerned that the balances in these accounts remain high, year after year. “All we’re doing is taxing the citizens more than they need to be taxed because we sit on pools of money.”

Again, Mr. Thomas agreed but added that developing a game plan is an important first step. “Once you have that, you can argue about the numbers but until you have a game plan, arguing about the numbers doesn’t go anywhere.”

Mr. Busa said that scrutiny will need to fall to the liaisons so that the departments become well aware they will be called upon annually to report about the funds.

Mr. Bowen: “I was certainly surprised there were no questions or holds on the Operating Budget. The presentation was good and the answers were there. I think, if you anticipate the questions and answer them upfront, it’s a lot more effective than having the question asked. That’s often interpreted as something hostile.”

Mr. Steele said, if there is a question, he prefers not to have to ask Mr. Garofalo or other staff for the answers. "It's really our budget—we own it—and we should know the details as much as possible."

Mr. Carluccio: "It is amazing all the things we talk about and then we spend \$80m without a question."

Mr. Steele said, "I don't know whether it's trust or boredom."

Mr. Bowen said, "There's an overwhelming amount of detail."

Ms. Perry responded, "I think a lot of it is trust. When I talk with townspeople, they say 'We trust that you've done your work and that you have the best interest of the town in hand.'"

Ms. Perry: I don't have a comment about Town Meeting—I think it went smoothly—but about when we talk to the different departments: I would like to see all of the large departments under the Selectmen come in— Police, Fire, DPW— not just the Town Manager and a few Selectmen. We do talk to those people at other times but I'd like to invite them in, maybe sometime in the fall, to give us a heads up."

Mr. Bowen responded, "They may be reluctant to say something they haven't bounced off [Town Manager] Reed, which is appropriate. We have to be sensitive to that and set some ground rules."

Ms. Perry added, "It would be very appropriate, in my opinion, to not only ask them about their [special] funds but to ask them about all of their alternate sources of funding. People get grants but we don't hear about all of it."

Mr. Steele said, "We need to make sure we ask about it...When we do the guideline memo, we should tell them to be prepared to speak about grants or alternative funding revenue to help sustain their budget."

Ms. McClung suggested making a blueprint or outline of what FinCom wants in a budget presentation. Ms. Perry agreed that standardization of the components of a presentation is a good idea. Ms. McClung added that it would be easier for the departments to create presentations if they had an outline. Mr. Steele said committee liaisons should be well-versed in any auxiliary sources of incomes.

Ms. McClung: "I thought Article 8 [Cable TV] was awkward: people talking about what our decision had been, making assumptions about our opinions. It felt awkward not being able to speak our mind on this."

Mr. Steele referred to a comment from the audience saying the Finance Committee was confused. "The Finance Committee wasn't confused at all. Each of us had a strong opinion one way or the other. That should not be construed as confusion. We understood that article better than anybody. We were in a precarious position where I don't think any of us should have shown a bias. Everybody bit their tongues and I think we handled it just fine."

Ms. Perry added that any member presenting FinCom's position at Town Meeting can say that there was no majority opinion and then explain why members voted the way they did. "People want to know what our concerns are and why...I think it's outstanding for a committee to not go in lockstep and follow-the

leader. It shows how this town functions. People are free to speak their own opinions.”

“This is not the first time FinCom has gone to Town Meeting without consensus on an article. It’s not often but it has happened before,” Mr. Busa said.

Mr. Steele said he sees what happened with Article 8 as a learning experience that can be used as a benchmark for the future when FinCom is divided on controversial articles.

Mr. Powell: “I’m struggling to get my head around the issue of why 100 people won’t show up to vote an \$80m town budget. It can be one of three things: People are bored; they don’t care. Or, it could also be there’s a lot of faith and trust that the numbers are good. Or, it might be that people—even though they have opinion— don’t think the Town Meeting process is going to allow them to impact things in any meaningful way.”

Ms. McClung added: “There’s a fourth reason and that is a lot of people have to wake up early the next day and they can’t afford to stay up so late. Or, they have a child at home.”

Mr. Powell said, “I think having the budget at the very end of the warrant leads into that. I know there’s a reason it can’t go first but if you could make it so that the budget gets reviewed on the first day...I know there are a lot of things that have to happen before the Town budget gets voted to put the final puzzle together. If you put Article 8 last, maybe 200 people would show up on day two.”

Mr. Bowen said there has been a tendency for people to show up for one controversial article and then go home. “I think [the order of articles] was thought about. Finances were put last because you have to go through the other articles to get to the meat.”

Mr. Powell said that actually a lot of business was conducted in an hour’s time on the second night. “And then I have to wonder, if we’re watching out for people who don’t want their taxes raised, but 100 don’t show up to have a say in it, does it mean they don’t care about their taxes? But, I do think the Town’s done a good job and that’s why most people aren’t stressed out about it. ”

Mr. Busa said it’s his opinion that the townspeople believe due diligence has been done on the budget. “When you look at all the surrounding towns, every single one has had a Proposition 2 ½ override or at least had a vote on an override. When you look at Lexington, it’s part of their budget to have an override every single year. We’ve never had that. People trust the process. It’s all those other things— like leash laws—that they show up to voice their opinions about.”

Mr. Powell said, “I have one more comment and it’s about [Finance Committee] meetings. I’m in my first year and I realize I do my best thinking in the first two hours. After about three hours, I’m totally zoned out. There are certain meetings when we have a lot on the agenda and we’re up against a deadline and there’s nothing we can do about it. Other than those exceptions, I start tuning out at about 10:30.”

Mr. Mortenson: “I think Town Meeting went really well but I’m going to advocate, once again, for having write-ups beforehand...General comments on the year: I’m really interested in the Rec department and what they’re doing with Springs Brook Park...I think we did a good job on the reserve

accounts but I also think it could be better...I agree with Barbara about having Police and Fire come in to present their budgets.”

Mr. Thomas: “The run up to Town Meeting felt like we were missing a week. Towards the end, we were rushing to get things done. I really like Paul’s idea and I’d like to see us have written positions with an absolute goal of getting it in the paper before Town Meeting. There was no way that was going to happen this year. Some of that was ‘Aha! The state did this or that’ so I kind of understand it, but it still felt rushed.”

Mr. Steele agreed, saying he thought FinCom was well-prepared but could have prepared the citizens more.

Mr. Thomas agreed with Ms. Perry about bringing in the bigger Selectmen’s departments for review. “Maybe we need to take a look at next year’s schedule and make sure we aren’t starting too early but we aren’t starting too late...But I don’t want to push the departments too hard.”

Mr. Steele agreed that mapping out the year was a good idea. “I think the question is, ‘What can we give to the departments earlier so they can get to us earlier?’ I don’t want to hold them hostage.”

Mr. Carluccio said the Committee spent a lot of time on the Schools this year. Mr. Steele said there were “three, good, long sessions.” Mr. Busa said every third year is usually tougher with the Schools because of contract cycles.

Mr. Powell added that although some deeper detail was covered with certain departments early on, votes were not taken on budgets until much later. “I think the issue with the Board of Assessors was that we drilled into their budget in December but then all of a sudden in February we did something that no one realized was going to cause the strife that it did. You can’t stretch the process out too long.”

Mr. Garofalo, looking back at the meeting schedule, said the Committee had not taken any weeks off and added that Town Meeting was a week early this year.

Old Business: Mr. Bowen commented on several continuing issues with the DPW. “I’d like to hear the strategy for the water system. In some ways, this is capital expenditure but I think we need to understand so we don’t have a big surprise. The water system, the sewer system, the highways—the main things that they are responsible for. I had outside information from the engineering study to look at and could see there’s a disconnect between what the engineers are saying [about the roads] and what the DPW is doing. The other part is the Parks Department: I’m not connected with Recreation but I think reviewing the status of the parks is important. This is a Selectmen function but I think we can reinforce it...If there’s a money issue, we need to hear about it.

Mr. Bowen said the statistics in the mailed School department flyer were excellent and he asked Mr. Garofalo to file it in the Dropbox for future reference.

Future Meetings: May 21, June 11 (if needed), June 25, July 9 (Reserve Fund transfers), August 13, Sept. 10, and all Thursdays as needed through Special Town Meeting November 2.

Possible Reserve Fund transfers: Water (tentative), fire (tentative), homeless student transportation (probable), utilities, Davis School modulars.

New Business: Mr. Thomas said he would like to review the financial policies once a year, even if they are aren't changed but merely re-affirmed.

Mr. Mortenson said he has shared the policies with the Foxboro Finance Director and has feedback to share about different practices and percentages used there.

Mr. Garofalo said when Bedford originally created the policies, comparative statistics were gathered from surrounding towns as well as other Triple A rated communities. In preparation for the review at the May 21 meeting, he will again attempt to gather current statistics.

Mr. Bowen said the budget of the Massachusetts House Ways and Means does not include funding for Hanscom students. He spoke to Rep. Ken Gordon and learned that, in the past two years, the Chair of Ways and Means asked every member to identify his/her funding priority. Rep. Gordon always chooses Hanscom funding which, until now, has made it into the budget. "This now means one more hurdle for Ken to go through. He'll have to organize 71 Representatives and 21 Senators to get it into the budget. It may well happen but without the Senate president on our side, we are sledding uphill." Mr. Bowen pointed out that Bedford has received additional funding recently: \$300,000 for roads and another \$25,000 for general aid.

Meetings attended: Mr. Thomas said the Selectmen's meeting was mostly housekeeping but they did reorganize, electing Mark Siegenthaler as Chair.

Mr. Powell said the Planning Board has at least 10 things in the pipeline. The most recent meeting saw a discussion of a Hartwell Road/Beacon Street property expected to be ruled upon eventually for a conventional subdivision. Another preliminary discussion took place for a subdivision at 30 Chelmsford Rd.

Ms. McClung attended the School Committee meeting at which resident Nancy Wolk spoke eloquently about the concerns with the PARCC exams. "There are concerns about the infrastructure and demands set by the PARCC tests. There may be a vote coming up (at the State level) that could decide whether we go with it permanently. [Ms. Wolk] thought the vote would be before the second round of testing that happens in May. They've just finished the first round."

Ms. Perry attended CapEx. Two departments were invited to the meeting—Recreation and Police. Recreation deferred until June because they are busy working on Springs Brook Park. The Police came in and talked about their projections for next year's Capital budget. The requests are more or less routine but one thing for which the department is seeking funding—grant or otherwise— is tasers.

Other CapEx discussions centered around space needs for the Police department. "I see a concern with the Historical Society... I don't see how they can resolve it until they work out where the museum is going to be, for example."

CapEx also reorganized and elected new officers: Chair: Brian Bartkus; Vice Chair: Karen Dunn (in FinCom's audience tonight); Clerk: Tony Battaglia.

There are two openings because Jean-Marc Slak and Jon O'Connor have both resigned.

Adjournment: Motion: Mr. Powell moved to adjourn the meeting. Mr. Busa seconded. The motion was carried unanimously, 9-0-0.

Respectfully submitted,
Kim Siebert, FinCom Recording Secretary